



# City of Milwaukee

## Meeting Minutes

200 E. Wells Street  
Milwaukee, Wisconsin  
53202

### MILWAUKEE HOUSING TRUST FUND OPERATIONAL CRITERIA SUBCOMMITTEE

**BETHANY SANCHEZ, CHAIR**

**Tom Capp, Vice-Chair**

**Heather Dummer Combs, Rocky Marcoux, Tony Perez and Brian Peters**

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**Tuesday, May 9, 2006**

**1:00 PM**

**Room 301-B, City Hall**

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*Meeting convened: 1:10 P.M.*

#### **1. Roll call**

*Members present: Bethany Sanchez, Tom Capp, Heather Dummer Combs, Brian Peters, Bobbi Marsells (designee for Tony Perez) and Una Van Duvall (designee for Rocky Marcoux)*

*Also present: Stephen Adams - Community Development Management Partnerships, Marianne Walsh, Emma Stamps and Jeff Osterman - Legislative Reference Bureau, Juc Allen - Dept. of City Development and Richard Li - Comptroller's Office*

#### **2. Approval of the minutes of the May 4th meeting**

*Under items 4, 5 and 6, it should be note that discussion was brief.*

*Mr. Capp moved, seconded by Ms Van Duvall, for approval of the minutes as amended. There were no objections.*

#### **3. Eligible uses and affordability terms**

*Ms. Dummer Combs summarized the discussion of the last meeting related to funding o the categories. Mr. Capp suggested taking 5% from each category, leaving 25% for the homeless, 35% for rental housing and 25% for homeownership, which would leave 15% the fund for flexibility to respond to changing needs.*

*Mr. Capp moved, seconded by Ms. Dummer Combs, for categories with minimums of 25% to develop housing and provide services for people who are homeless, 35% for developing and/or rehabbing rental housing and 25% for creating, maintaing and rehabbing owner-occupied homes with 15% to be set aside as flexible funds to respond to needs at the board's discretion. There were no objections. (Ms. Marsells excused).*

*Mr. Peters moved that accessibility standards be included in all categories. There were no objections. (Ms. Marsells excused)*

*Ms. Sanchez strongly supported extending the affordability terms to 50 years. Mr. Cap noted, that as a developer, the affordability terms really don't matter, but it might matter to a community in ensuring that properties are habitable and don't harm rising market conditions in an area. He also noted that many major building systems fail in 15-20 years, so there needs to be an incentive to inject capital into a project in order to maintai*

*it in good condition. Ms. Van Duvall noted that the model ordinance proposed by Ms. Brooks does not speak to the long-term maintenance of housing and so the Subcommittee may not wish to act on this, but just mention this as an issue the board needs to be aware of.*

*Ms. Van Duvall moved, seconded by Ms. Dummer Combs, for a minimum of 30 years of affordability for rental housing, with a review at 15 years where the authority refers the right to remove the property from the program, with additional points if it goes longer than 30 years. Mr. Capp cautioned that the affordability terms need to match up with the other gap funding used by the project to make the project minimally complicated for the developer and the need to ensure that these rental units are maintained as quality, habitable units. Ms. Dummer Combs said that some funds could be reserved for rehabilitation. There were no objections (Ms. Marsells was excused)*

*Ms. Van Duvall moved, seconded by Ms. Dummer Combs, that the rehabbing money would be forgiven for home owners if the property is kept by the same owner for 5 years. This would be ensured through a deed restriction on the property to prohibit a sale following the rehabbing of the property. The Housing Trust Fund will be reimbursed the entire loan amount if the property is sold sooner than 5 years unless the property is sold to another income-eligible household as defined under the income limits set by the trust fund. There were no objections (Ms. Marsells was excused).*

#### **4. Eligible recipients within each use category**

*This item was not discussed due to time constraints.*

#### **5. Funding allocation among eligible uses**

*This item was not discussed due to time constraints.*

#### **6. Administrative body, allocation and monitoring procedures**

*The Subcommittee discussed item #6 first during the meeting, then moved on to item #3*

*The proposal as submitted by Ms. Dummer Combs and Ms. Sanchez was discussed (Exhibit 1). The proposal recommended that the fund be administered by the Community Block Grant Administration (CBGA). Mr. Capp supported having an existing structure administering the fund. Ms. Van Duvall mentioned having 3 recommended agencies, with CBGA as the first, Department of City Development/Neighborhood Improvement Development Corporation (DCD/NIDC) as the second choice and a non-profit agency as the third choice. Ms. Dummer Combs is concerned that if a non-profit administers the fund, then part of the funds will need to be allocated for administrative costs. Ms. Van Duvall said that the model ordinance provided by Ms. Brooks (Exhibit 2) notes that the administrative body must not use trust fund dollars for administrative costs. Ms. Marsell supported CBGA, with back-up recommendations in case CBGA cannot perform the task.*

*Ms. Marsells moved, seconded by Mr. Capp, that CBGA be identified as the primary staffing agency, with looking at DCD/NIDC as the second choice and a private non-profit agency as the third choice. There were no objections.*

*Mr. Capp stressed that the Advisory Board have real authority to act and be flexible to respond to ongoing programs and conditions and an annual or 2-year plan. Mr. Capp liked the suggestions of who serve on the board, but he would add more developers who*

are actually producing housing. Ms. Dummer Combs was concerned about conflict of interest if those individuals served on the board. Mr. Capp stated that the Wisconsin Housing and Economic Development Authority (WHEDA) does rotate developers on and off of its board. Ms. Van Duvall said that CBGA would staff the board and the board would be advisory to the Community and Economic Development Committee of the Common Council. Ms. Sanchez questioned if someone from Fannie Mae/lender/bank could be added as a member.

Ms. Walsh noted that the Common Council appointing authority is typically the president with 2 Council members on a body of this size. TMs. Van Duvall moved, seconded by Ms. Dummer Combs, that the advisory board be composed of the following 13 members. There were no objections:

2 Common Council members to be appointed by the Common Council President.

2 members to be appointed by the Mayor.

The Comptroller or his designee

A non-profit developer

A for-profit developer

A representative from Continuum of Care Consortium

A representative from a financial institution

A representative from the Local Initiatives Support Corporation

A representative from the Fair Housing Council

A representative from Independence First

A representative from the Interfaith Conference

Members will serve staggered, 2-year terms

Mr. Capp moved to have the board assess housing needs every 2 years. The board's report would be coordinated with the city's consolidated plan, with separate hearings for the consolidated plan and the board's plan. Ms. Van Duvall is concerned that administrative plans be kept down as much as possible and if the advisory board's report is widely different from the consolidated plan, then what are the ramifications for the board? Ms. Walsh noted that if the consolidated plan and advisory board plan run parallel that will decrease administrative costs, as well as minimize confusion. Ms. Sanchez agreed with Ms. Walsh up to a point in regards to having the process and hearings run in tandem, but supported having 2 request for proposals cycles per year, in order to react more quickly. Ms. Sanchez would support, for example, having the categories of 30% for the homeless, 40% for rental housing and 30% for homeownership with the board having the ability to put varying amounts (or none) into subcategories within those categories. Ms. Dummer Combs supported having flexibility within the subcategories. Mr. Capp still supports having flexibility among the categories rather than solely in the subcategories.

Ms. Van Duvall moved that the board's duty is to evaluate the proposals submitted to it, with the staff responsible for evaluating housing needs and providing a report on those needs to the board. The report will follow the current schedule followed by the city staff reviewing housing needs on an annual basis and provide the board with a tool to use in allocation of funds. There were no objections.

Ms. Sanchez questioned if the board or staff is responsible for setting interest rates and deciding if loans/grants will be given out. Mr. Capp and Ms. Van Duvall thought that this would need to be done by staff.

The Common Council will make the final decision on funding, through the Community and Economic Development Committee and the body as a whole.

*Richard Li from the Comptroller's Office appeared and spoke about the issuing of city debt. Notes can be issued for any purpose for a maximum of 10 years while bonds can be issued for 20 years and must be approved by referendum unless exempted from such by state statutes. One of the exemptions is blight elimination, which is defined by the City Attorney's Office. In general, bond proceeds should be used for capital purposes (bricks and mortar, rather than services). Bonds must also be issued for a public purpose and preferably borrowing as a tax-exempt institution, which offers lower interest rates. The body must also detail how the borrowed amount will be repaid, either through incoming revenue or the tax levy.*

#### **7. Visitability and universal design**

*Ms. Marsells left at 2:40 P.M.*

*Mr. Peters presented members with accessibility guidelines (Exhibit 3)  
Mr. Peters moved, seconded by Ms. Van Duvall, that the accessibility guidelines presented in Exhibit 3 be made part of the guidelines of the trust fund. There were no objections.*

#### **8. Green design**

*This item was not discussed due to time constraints.*

#### **9. Set next meeting date and agenda**

*Friday, May 19th at 9 a.m.*

*Meeting adjourned: 3:29 P.M.*

*Linda M. Elmer  
Staff Assistant*